

## Message Text

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ACTION AID-59

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FM AMEMBASSY MANILA

TO SECSTATE PRIORITY 5820

C O N F I D E N T I A L SECTION 1 OF 2 MANILA 10220

E.O. 11652: N/A

TAGS: ELAB, RP

SUBJECT: DRAFT GAO REPORT RELATED TO AAFLI ACTIVITIES

PASS O/LAB AND ARTHUR Z. GARDINER, AID/W

BEGIN SUMMARY: THIS MESSAGE CONTAINS EMBASSY/USAID COMMENTS ON PORTIONS GAO DRAFT REPORT (U.S. EFFORTS TO DEVELOP FREE LABOR MOVEMENTS IN LESS DEVELOPED COUNTRIES) THAT RELATE TO AAFLI AND PHILIPPINES. WE FOUND NUMBER OF INACCURACIES IN THIS LARGELY NEGATIVE REPORT WHICH AS FAR AS PHILIPPINES IS CONCERNED, DIFFERS DRAMATICALLY FROM TONE OF "STEINBERG-ELLOT" FIELD APPRAISAL (AID/W) WHICH ADDRESSED A NUMBER OF AREAS COVERED BY GAO REPORT. U.S. MISSION DISAGREES WITH GAO CONCLUSION THAT "AAFLI PROGRAM IS MARGINAL, AT BEST, TO THE U.S. INTERESTS IN THE PHILIPPINES....." LOOKING AT LONG PULL, AND KEEPING IN MIND OUR GROWING PREOCCUPATION WITH HOW BETTER TO REACH PEOPLES NOT JUST GOVERNMENTS, DEVELOPMENT AND STRENGTHENING OF FREE LABOR MOVEMENTS IN ASIA (INCLUDING PHILIPPINES) IS CERTAINLY ONE OF OUR FOREIGN POLICY OBJECTIVES TO WHICH AAFLI HAS MADE SIGNIFICANT CONTRIBUTION. END SUMMARY.

1. WE REGRET DELAY IN RESPONSE. EMBASSY/USAID COMMENTS ARE LIMITED TO THOSE PORTIONS OF REPORT THAT RELATE TO AND AFFECT PHILIPPINES (MAINLY CHAPTERS 3,4, AND 6), IN KEEPING PARTICULAR NEEDS AID/W.

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2. REPORT'S RECITATION OF EMBASSY/USAID INVOLVEMENT IN

FUNDING, PLANNING AND EVALUATION OF AAFI PROGRAM (P.24 AND P. 48 LAST PAR.). IS CORRECT. TO LARGE EXTENT, BACKGROUND GIVEN P. 42, SECOND. PAR. EXPLAINS RATIONALE FOR THIS MINIMIZED EMBASSY/USAID INVOLVEMENT IN PLANNING, MONITORING AND EVALUATION AAFI PROGRAM. AAFI IS A TRADE UNION-TO-TRADE UNION ACTIVITY PURSUED UNDER AFL-CIO. PRIVATE NATURE OF AAFI ACTIVITY IS PRECISELY ITS VIRTUE. AS SUCH, MORE-OVER, IT LIES OUTSIDE REGULAR GOVERNMENT-TO-GOVERNMENT ECONOMIC ASSISTANCE PROGRAM WHICH USAID IS CHARGED WITH MANAGING.REPORT'S STATEMENT OF USAID MISSION PRIORITY RANKING OF AAFI, P. 44 PENULTIMATE PAR., IS CORRECT.

3. CHAPTER 3, P. 18, PAR. 3. WHILE WE AGREE THAT PROGRAM PURPOSES MIGHT BE SPELLED OUT MORE CLEARLY, FINDING THAT "LACK OF QUANTITATIVE PROGRAM OBJECTIVES NEGATES ANY POSSIBLE EVALUATION OF THE EFFECTIVENESS OF THIS PROGRAM" IS A SERIOUS OVER-STATEMENT. INTERMEDIATE INDICATORS AND QUALITATIVE FACTORS BOTH HAVE BEEN APPLIED AS LEGITIMATE MEASURES OF PROGRAM PROGRESS.

4. CHAPTER 4, P. 24, PAR. 4,NOTING THAT AAFI PROGRAM MONITORED BY LABATT, ASSERTS NO REPORTS HAVE BEEN PREPARED ON EFFECTIVENESS OF PROGRAM, OTHER THAN ANNUAL LABOR REPORTS. FOLLOWING REPORTS COMMENTED ON AAFI-SPONSORED PROGRAMS AND SEMINARS: A) A-304 OF NOVEMBER 12, 1973; ASIAN TRADE UNION WOMEN SEMINAR; B) A-319 OF SEPTEMBER 24, QOURV OPEN SYMPOSIUM ON ARBITRATION HELD IN PHILIPPINES; C) A324 OF SEPTEMBER 25, 1974; COMPARATIVE ANALYSIS OF COLLECTIVE BARGAINING AGREEMENTS; D) MANILA 13615 OF NOVEMBER 18, 1974; EVALUATION AAFI PROJECTS; E) MANILA 1858 OF FEBRUARY 11, 1975; FIRST ASIAN REGIONAL SAFETY AND HEALTH CONFERENCE; AND F) A-62 OF FEBRUARY 20, 1975 (SAME TOPIC AS E). AS REPORTED IN MANILA 13395 OF NOVEMBER 12, 1974; GAO TEAM WAS GIVEN ACCESS TO ITEMS A) AND B) LISTED ABOVE, AS WELL AS TO SECTION ON AAFI IN ANNUAL LABOR REPORT A-121 OF MAY 9, 1973, WHICH ALSO COMMENTED ON EFFECTIVENESS OF PROGRAM. WITH RESPECT SUGGESTED GREATER U.S. MISSION PARTICIPATION  
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IN AAFI PROGRAM PLANNING, WE ENDORSE RECOMMENDATION IN EARLIER MENTIONED AID/W FIELD APPRAISAL (P.4, PAR. 1) THAT OUR RELATIONSHIP WITH AAFI SHOULD BE STRENGTHENED TO PROVIDE INCREASED UNDERSTANDING OF DEVELOPMENTAL ISSUES, NOT TO MENTION POLITICAL CONSIDERATIONS. THIS REQUIRES CLOSE COOPERATION IN ADVANCE OF ANY PROGRAMMING. LABATT HAS EXCELLENT RELATIONSHIP WITH AAFI. IT IS ESSENTIAL THAT PRACTICE OF FREQUENT INFORMAL CONSULTATIONS

BE CONTINUED IN ORDER FULLY MEET "MONITORING" REQUIREMENTS.

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P 250849Z JUL 75

FM AMEMBASSY MANILA

TO SECSTATE PRIORITY 5821

C O N F I D E N T I A L SECTION 2 OF 2 MANILA 10220

5. CHAPTER 6, P. 45, PAR. 2. STATEMENT ATTRIBUTED TO "EMBASSY OFFICIALS" THAT "AAFL CONTRIBUTION TO THE ACCOMPLISHMENT OF U.S. FOREIGN POLICY OBJECTIVES IS NIL..." THIS APPEARS HIGHLY SUBJECTIVE INTERPRETATION OF ALLEGED AID/W AND MISSION VIEW THAT LABOR NOT CONSIDERED AS 1) "PRIORITY PROGRAM". (P.44, LAST PAR.) TO OUR DEVELOPMENT PROGRAM (PRIME TARGET AREAS BEING RURAL DEVELOPMENT, NUTRITION, AND FAMILY PLANNING), NOR 2) "PRIORITY ITEM BECAUSE OF THE ABSENCE OF COMMUNISM IN THE PHILIPPINES AND THE GOVERNMENT CONTROL OF THE LABOR SECTOR" (P. 48, LAST PAR.). FOR THE RECORD, WHILE GOP UNDER MARTIAL LAW OBVIOUSLY EXERTS STRONG INFLUENCE ON LABOR AS WELL AS OTHER SECTORS, IT DOES NOT "CONTROL" LABOR MOVEMENT WHICH REMAINS INDEPENDENT. DEVELOPMENT AND STRENGTHENING OF FREE TRADE UNIONS IN ASIA IS MOST CERTAINLY ONE OF OUR FOREIGN POLICY OBJECTIVES TO WHICH AAFLI HAS MADE SIGNIFICANT CONTRIBUTION IN PHILIPPINES.

6. CHAPTER 6, P.47, PAR. 1, REFERS TO LACK COORDINATION BETWEEN ALEC (ASIAN LABOR EDUCATION CENTER) AND AAFLI. IT IS TRUE THAT IN PAST THERE HAVE BEEN FRICTIONS AND JEALOUSIES BETWEEN THE TWO LABOR EDUCATION ORGANIZATIONS WHICH WERE AGGRAVATED WHEN USAID WITHDREW SUBSIDY FOR ALEC IN SUMMER 1973. STATEMENT THAT "AAFLI HAS REFUSED TO COOPERATE WITH THE CENTER" IS INACCURATE. ALTHOUGH IT COULD CERTAINLY BE IMPROVED, THERE IS INFORMAL LIAISON

BETWEEN THE TWO AND EACH IS AWARE OF THE OTHER'S PROGRAM  
PLANS. AS MATTER OF ACT, EACH ORGANIZATION PERIODICALLY  
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PROVIDES LECTURES FOR THE OTHER'S SEMINARS. EXAMPLE  
CITED REGARDING PREPARATION WASTFUL DUPLICATE INSTRUCTION  
BOOKLETS FOR LABOR CODE SEMINARS ALSO IMPRECISE. FACT IS,  
AAFLI PREPARED NO TRAINING BOOKLETS, BUT INSTEAD PURCHASED  
COPIES OF LABOR CODE PUBLISHED BY LAW GAZETTE. INTER-  
ESTING SIDELIGHT THESE HIGHLY POPULAR AAFLI LABOR CODE  
SEMINARS IS THAT THEY UNDERTAKEN WITH BLESSINGS OF  
PHILIPPINE DEPARTMENT OF LABOR WHICH HAS ACCUSED ALEC OF  
DRAGGING ITS FEET IN LAUNCHING INFORMATION PROGRAM ON  
THIS KEY GOVERNMENT LEGISLATION. SEMINARS, INCIDENTALLY,  
WERE BY NO MEANS PREACHING VIRTUES OF GOP'S LABOR CODE,  
BUT ATTEMPTING EDUCATE UNIONS HOW TO HANDLE THEMSELVES  
UNDER NEW GROUND RULES.

7. CHAPTER 6, P.48, PAR.3. STATEMENT MADE THAT "ALTHOUGH  
THE EDUCATION AND SOCIAL PROJECTS HAVE HAD SOME INCALCULABLE  
IMPACT ON THE LABOR UNIONS, THERE IS LITTLE EVIDENCE THAT  
THE AAFLI PROGRAM HAS HAD ANY SIGNIFICANT EFFECT ON THE  
DEVELOPMENT OF THE LABOR MOVEMENT." NOT ONLY DO WE NOT  
SUBSCRIBE TO THIS, BUT OPINIONS OF BOTH LEADING LABOR  
LEADERS AND GOP CONTRADICT SUCH AN ASSESSMENT. IN  
MEETINGS ARRANGED AND ATTENDED BY LABATT ON NOVEMBER 25,  
1974 (WITH ASSOCIATED LABOR UNION - ALU - VP CECILIO  
SENO AND PHILIPPINE TRANSPORT & GENERAL WORKERS ORGANIZA-  
TION - PTGWO - PRESIDENT ROBERTO OCA) AND NOVEMBER 25  
(WITH UNDERSECRETARY OF LABOR AMADO INCOING), FILIPINO  
PARTICIPANTS LAUDED AAFLI'S ROLE IN TRADE UNION DEVELOPMENT.  
AS MATTER FACT, INCOING WENT SO FAR AS TO REMARK IN PRE-  
SENCE GAO REPRESENTATIVES THAT IF AAFLI HADN'T BEEN IN  
PHILIPPINES CARRYING ON ITS LABOR PROGRAMS AS USUAL DURING  
FIRST FEW DIFFICULT MONTHS OF MARTIAL LAW, LABOR MOVEMENT  
MIGHT NOT HAVE HAD SPIRIT TO BOUNCE BACK AS IT DID.

8. NEEDLESS TO SAY, U.S. MISSION DISAGREES WITH CONCLUSION  
(P. 49, LAST PAR.) THAT "AAFLI PROGRAM IS MARGINAL, AT  
BEST, TO THE U.S. INTERESTS IN THE PHILIPPINES....." THE  
DEVELOPMENT OF FREE TRADE UNIONS MAY NOT, ADMITTEDLY, MERIT  
THE PRIORITY ATTENTION RESERVED FOR SUCH MORE IMMEDIATE  
OBJECTIVES AS ASSESSMENT OF U.S.-R.P. MILITARY BASE AND  
TRADE RELATIONS, AND FAMILY PLANNING PROGRAMS. LOOKING  
AT THE LONG PULL, HOWEVER, AND KEEPING IN MIND OUR GROWING  
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PREOCCUPATION WITH HOW BETTER TO REACH PEOPLES NOT JUST  
GOVERNMENTS, LABOR DEVELOPMENT (AND THUS, AAFLI) REMAINS  
AN IMPORTANT PART OF THE EQUATION. SULLIVAN

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